



July 25, 2014

To: Executive Board

Subject: **Contract Award – Operations and Maintenance – Arcadia Facility**

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### **Recommendation**

Authorize the Executive Director to award a contract to Veolia Transportation for transit operations and maintenance services at Foothill Transit's Arcadia facility. The base contract term will be four years and the contract will include three two-year options to be exercised at Foothill Transit's sole discretion. The projected four-year base contract cost is \$108.3 million, including startup costs and the cumulative cost over the potential life of the contract is projected at \$307.7 million.

### **Analysis**

Foothill Transit issued Request for Proposals (RFP) No. 14-028 on March 27, 2014 for the operation of transit services for the agency's Arcadia facility. This RFP included a number of requirements, including: (1) invoicing based on a combination of a fixed monthly fee and a rate per revenue mile operated; (2) performance measurement and invoicing based on systemwide data collected from Foothill Transit's SMART*Bus* system; (3) emphasis on the proposer's approach to managing key cost drivers and (4) clarifications to the performance requirements and vehicle and fleet condition and maintenance requirements.

On June 12, proposals were received in response to the RFP from First Transit, Keolis Transportation, McDonald Transit, MV Transportation, and Veolia Transportation. Each firm's Prequalification submittals were evaluated by a Prequalification Evaluation team comprised of members of Foothill Transit's management team and Foothill Transit's Special Legal Counsel. The prequalification factors evaluated included:

- Proposal Letter;
- Evidence of Good Standing and Authorized Execution;
- Summary of Qualifications;
- Information regarding Debarments, Findings of Non-Responsibility, Default, Claims, Disputes, and Related Events;
- Financial Information;
- Certifications;
- Plans and Policies;
- Proposal Bond; and
- Exceptions

All proposers satisfied the prequalification criteria and were recommended for passage into the evaluation phase.





Subsequently, the technical evaluation committee, consisting of six members of Foothill Transit's management team and one outside representative, reviewed the technical proposals. Each technical proposal was evaluated based on the following criteria and weighting:

**Technical Qualifications (weighted 70 percent of Overall Score)**

- Management and Technical Competence (25 percent)
- Operations and Maintenance Capability and Experience (25 percent)
- Approach to Key Cost Drivers (15 percent)
- Quality of Staffing Plan and Training Plan (13 percent)
- Quality of Maintenance Plans and other Plans and Submittals (12 percent)
- Financial Viability (10 percent)\*

\*Financial Viability was determined by an independent, third party firm with significant experience in this area.

Price (weighted 30 percent of Overall Score) was scored as follows:

$$\text{Proposer's Price Score} = \frac{\text{Lowest Price}}{\text{Proposer's Price}} * 100 \text{ Points}$$

Overall pricing for each contractor was determined primarily by their stated fixed monthly fee, their stated rate per revenue mile by route, and the number of revenue miles by route as indicated in the RFP. In addition, each firm proposed their startup costs and separate costs per hour for Extra Work such as equipment transfers from retired to new coaches, and for Special Services such as Rose Bowl service. Those costs were factored into their overall pricing using the projected number of annual hours in each category.

The evaluation committee determined that all five written technical proposals were within the competitive range, with a legitimate opportunity to win the contract. With the competitive range determined the evaluation committee recommended, in consultation with the Contracting Officer, interviews for each of the five proposing firms. Interviews were subsequently conducted on July 2 and 3, allowing each firm to clarify and expand on their written proposal and respond to questions from the evaluation team. An official invitation to submit a Best and Final Offer (BAFO) was then sent to the proposers. After the evaluation committee received each proposer's BAFO, the proposals underwent a final evaluation by the team, taking into account information gleaned during the interview process, results of the reference checks performed on each proposer, and each firm's BAFO submittal.

Veolia's proposal was ranked highest with an overall score of 92.95 out of a possible 100 points. Among the innovative aspects of this proposal is Veolia's approach to real-time dispatching, monitoring, and control of on-street service with the Foothill Transit management team's real-time access to this resource. Veolia's team also includes a Customer Experience Department, charged with ensuring proactive, heightened customer





relations management with the goal of reducing customer complaints. The proposal also outlined a comprehensive plan for reducing and preventing mechanical roadcalls and maintaining the Foothill Transit fleet standards. The agreement with Veolia will also include incentives for performance that surpasses Foothill Transit's on-time performance, customer service and maintenance standards. These incentives will be dedicated 100 percent to the local operations and maintenance personnel performing service on the Foothill Transit contract.

A summary of the final scores is provided below.

Evaluation Factors	Maximum Score	Proposer				
		First	Keolis	McDonald	MV	Veolia
1. Management and Technical Competence	25	21.46	21.29	18.75	22.18	23.32
2. Capability and Experience	25	20.64	20.46	18.68	21.68	22.96
3. Approach to Key Cost Drivers	15	12.64	12.64	11.23	12.58	13.74
4. Quality of Staffing Plan and Training Plan	13	10.98	11.50	10.01	11.53	11.89
5. Quality of Maintenance Plans and Other Plans and Submittals	12	9.94	10.73	9.21	10.29	10.94
6. Financial Viability	10	9.50	8.50	9.50	9.20	9.20
<b>Technical Points</b>	<b>100</b>	<b>85.17</b>	<b>85.13</b>	<b>77.37</b>	<b>87.45</b>	<b>92.04</b>
<b>Technical Score (= 0.7 x Technical Points)</b>	<b>70</b>	<b>59.62</b>	<b>59.59</b>	<b>54.16</b>	<b>61.22</b>	<b>64.43</b>
<b>Price Points</b>	<b>100</b>	<b>85.69</b>	<b>100</b>	<b>84.84</b>	<b>80.45</b>	<b>95.07</b>
<b>Price Score (= 0.3 x Price Points)</b>	<b>30</b>	<b>25.71</b>	<b>30.00</b>	<b>25.45</b>	<b>24.13</b>	<b>28.52</b>
<b>Overall Score</b>	<b>100</b>	<b>85.32</b>	<b>89.59</b>	<b>80.37</b>	<b>85.35</b>	<b>92.95</b>

In addition to the evaluation above, each proposer's price proposal underwent a cost reasonableness and cost realism analysis by an independent third-party firm with significant experience in this area.

On July 17, 2014 a meeting was held with representatives of Veolia Transportation to finalize the terms of the proposed agreement. Subject to the Executive Board's approval, the contract will be executed and activities to allow transition to operations under the terms of the new contract will be undertaken. The start-up date for services under the new contract will be October 5, 2014.



**Budget Impact**

Foothill Transit's adopted Business Plan includes funding for the operation of transit services through June 2015. Funding for operations and maintenance of Foothill Transit's Arcadia fleet and facility will be programmed into each year's Business Plan.

Sincerely,

Kevin McDonald  
Deputy Executive Director

Doran J. Barnes  
Executive Director